

1 My dictionary defines empirical as meaning capable of
2 being verified or disproved by observation or
3 experimentation. Much empirical evidence is not
4 statistical and the Commission should not be ignoring
5 such observational evidence.

6 Fourth, I believe that at least some
7 members of the Commission and staff have placed an
8 undue emphasis on searching for elusive formulae. The
9 Commission has been created as an expert agency
10 because Congress expects it to make predictive
11 judgments. In calling for you to exercise this broad
12 and necessarily subjective discretion, I'm not
13 offering an excuse to justify a result that I seek.
14 Indeed, such predictive judgments can and have been
15 used over the last 20 years to deregulate more often
16 than they've been used to regulate.

17 Fifth, and notwithstanding what I've just
18 said, the civic, consumer, labor and civil rights
19 groups that have filed in this docket have submitted
20 powerful and detailed statistical evidence which
21 strongly supports retaining existing rules. They've
22 also pointed to shortcomings in the study the
23 Commission has generated and unlike the broadcasting
24 industry, they have also responded to the Commission's
25 request for metrics which can be employed to measure

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1 concentration. While such formulae should be one of
2 many factors the Commission should consider, my
3 colleagues have presented a scheme based on developing
4 a weighted HHI index which would be a significant
5 improvement over the traditional HHI employed in other
6 economic sectors and I urge you to consider it.

7 Finally, with respect to what's been said
8 about Telemundo and NBC's concern that the ownership
9 cap is holding it down, I think the answer here is
10 waivers and I'll be happy to sit down with Mr. Ireland
11 and Ms. Thompson. If they want to have a waiver ~~of~~
12 the national ownership cap for second language
13 programming, that's a perfectly legitimate public
14 interest justification to present as a waiver, but
15 it's not a reason to throw the baby out with the
16 bathwater.

17 Thank you.

18 (Applause)

19 MR. KRATTENMAKER: Thank you. Ms.
20 Thompson?

21 MS. THOMPSON: Buenos dias. It's a great
22 honor for me to have the opportunity to address such a
23 distinguished Commission and audience. I am here
24 representing ZGS Broadcast Holdings which is a
25 minority-owned broadcasting company.

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1 E pluribus unum. The strength of this
2 great nation is founded upon the principle of e
3 pluribus unum, out of many, one. The intrinsic value
4 of this coin reflects the progress of this nation
5 throughout history, a prosperity that is clearly
6 rooted in the diversity of its people and consequently
7 of its business community.

8 The Hispanic community has grown to become
9 the largest minority group in this country. However,
10 Hispanic participation and representation in the
11 broadcasting industry continues to decline, which is
12 both a concern for our community and a concern from a
13 public policy perspective.

14 I am here today to express unequivocally
15 the importance of protecting and promoting minority
16 representation **in** the broadcasting industry. As the
17 Federal Communications Commission considers changes in
18 the current ownership rules, it is my sincere hope
19 that it will not allow conciliation and survival of
20 the biggest to do away with the small and community
21 rooted broadcasters that offer a unique service to the
22 public. On the contrary, it will be my hope that the
23 Commission **looks** to create and ensure opportunities
24 for small and minority broadcasters to thrive and
25 prosper into the future.

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1 Fifteen years ago, Ronald Gordon,
2 President and owner of our company, ZGS Broadcasting
3 Holdings, had the vision and commitment to see that
4 the Hispanic market will someday become a strong and
5 prosperous business opportunity. Born and raised in
6 Peru, Mr. Gordon embraced his Hispanic roots and the
7 potential in serving a community that very few people
8 knew, valued or cared to serve. His pursuit of the
9 American dream -- in Spanish broadcasting -- was an
10 incredible, difficult and challenging task. The only
11 viable financial option was low power television and
12 given the limitations and secondary nature of the LPTV
13 service, no financial institution was willing to back
14 him. Ultimately, not surprising, it was a Hispanic
15 run bank that provided him the funds to acquire ZGS'
16 first station. He risked and personally guaranteed
17 his assets in order to offer our growing community a
18 television station it could call its own. Since then,
19 ZGS' commitment to higher standards and service to the
20 Hispanic community have allowed the company to grow
21 into the largest affiliate of the Telemundo network
22 with LPTV Class A stations in Boston, Hartford,
23 Springfield, Providence, Orlando, Tampa and
24 Washington, D.C., along with radio properties in
25 Washington, D.C. and Tampa.

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1 Today, ZGS Broadcast Holdings has over 160
2 employees of which 90 percent are of Hispanic descent.
3 My station, WCDC, has over 25 employees and each one
4 of us has an unwavering commitment to serve our
5 audience. Through our local news and Washington's
6 only Spanish-language public affairs program, Linea
7 Directa, the Hispanic community in this area is kept
8 informed of core issues. We are the community's only
9 vehicle to learn about the services and opportunities
10 available in our region. That is why we devote so
11 much effort to our educational projects such as our
12 Read to Succeed literacy campaign, the focus is on the
13 importance of literacy and scholastic achievement for
14 the success of our community.

15 We are very proud to be a Hispanic-owned
16 broadcaster and prouder still of the difference we
17 make in our communities. Our motto says it all, La
18 Voz de la Comunidad, the Voice of the Community.

19 There are several initiatives that the
20 Commission can consider to encourage and promote
21 diversity in broadcasting. As community broadcasters,
22 we can appreciate the opportunity that an enhanced
23 LPTV service can offer smaller broadcasters and I
24 would encourage the Commission to review how the
25 coverage and the status of this television service can

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1 be improved and solidified.

2 Class A was a critical addition for
3 community broadcasters which allow many small and
4 minority players to stay in the game. ZGS' stations
5 are all Class A and as you have just heard, we do more
6 in our communities than many full power stations
7 across the country. Our business is not just about
8 dollars and cents. We would like to think that it
9 represents more public value and better use of the
10 public airways than home shopping.

11 But Class A is simply not enough. Like
12 all broadcasters, small community broadcasters need
13 access to distribution, cable distribution. As Class
14 A stations, we have to comply not **only** with all the
15 regulatory requirements of full power stations that
16 provide local programming, which full power stations
17 do not need to do. Bigger is not necessarily better
18 and my hope is that the Commission will consider
19 providing Class A community stations which provide
20 local content and local service with the same
21 privileges accorded to full power stations, especially
22 [in Spanish.]

23 MR. KRATTENMAKER: Thank you.

24 (Applause)

25 MR. KRATTENMAKER: That concludes the

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1 panel's remarks. Technically, we have run out of
2 time, but people have done an excellent job of staying
3 within this timeframe, but it's obvious that I'm sure
4 the Commissioners have many questions they want to
5 ask, so why don't we begin with the Commissioners.

6 Commissioner Adelstein?

7 COMMISSIONER ADELSTEIN: Thank you, Mr.
8 Krattenmaker.

9 Mr. Ireland from NBC, I have a question
10 for you, and Mr. Schwartzman, maybe if you could
11 respond as well.

12 You raised a very interesting point. You
13 said the internet can serve, allow people to become
14 their own programmer or editor. You'll be happy to
15 know that my staff person gets her weather from NBC4
16 in Washington, D.C. When she doesn't have the
17 opportunity to get it on television though, guess
18 where she goes? She goes to your NBC4 website. So
19 you win in both cases.

20 The question is she doesn't go to the
21 National Weather Service and do her own forecast.
22 Similarly, today's hearing for example, I doubt many
23 people are going to go to the web and look at all the
24 testimony, read all the testimony. The vast bulk of
25 people that hear the story at all, are going to get it

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1 on the Washinston Post website or on the website of
2 their local newspaper or in their newspaper itself.
3 They're not going to want to process and be their own
4 programmer or editor, as much as they might like to.

5 So my question is for you, first **of** all,
6 isn't a lot of what people get over the internet on
7 major sources that are already owned by the major
8 corporations in America and do people really want to
9 be their own editor or programmer? Does the internet
10 really function as a substitute for programming that
11 they get on their news sources?

12 MR. IRELAND: Well, I believe that the
13 internet does provide a varied amount of access to
14 people to a lot of information. Yes, we *do* have a
15 website that ties into our television station, but it
16 pales in comparison from the standpoint of what The
17 Washington Post gets and what the Weather Channel
18 might get for someone to check weather.

19 There's also many national news services
20 available, as well as information from just knowledge
21 or whatever people may want to look at.

22 There's no way that we can direct the
23 users of the internet to our sites. They have the
24 complete flexibility to cruise. They can google, they
25 can do whatever they want to try to figure out how to

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1 get to a site. We hope that they come to our sites
2 because we have compelling content. We address their
3 local issues. We address what their concerns might be
4 around some areas that we deal in.

5 We obviously cannot be everything to
6 everybody, but at least in that specific example,
7 again, the people have the power of choice and we just
8 hope that as they go through that we're able to
9 provide them an alternative for them to choose from.

10 MR. SCHWARTZMAN: The short answer is that
11 the internet has yet to become and may never become a
12 significant source of original, local content about
13 news and information. Virtually all of the locally
14 generated information available on the internet is
15 recycled from local newspaper and broadcast properties
16 who have leveraged their incumbent status. In fact,
17 the three sites just mentioned, Washington Post, NBC4
18 and Weather Channel which is Discovery Communications,
19 excuse me, Landmark Communications, are all major
20 media operators.

21 The Commission's own data about --

22 [END TAPE 1, SIDE B; BEGIN TAPE 2, SIDE
23 A.]

24 -- reached the conclusion that internet
25 and other sources are not effective substitutes.

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1 Professor Owens' study is particularly egregious in
2 failing to take that into account. Even using a .1
3 level of statistical significant, the Waldfogel
4 (Phonetic) study shows almost no substitution. The
5 short way to view it is as follows: when somebody
6 wants to get elected to public office, do they buy
7 internet banner ads or television ads? Thank you.

8 CHAIRMAN POWELL: I'd like to ask a more
9 general question that I think underlies all of that
10 and by the way I would note that a major Democratic
11 Presidential candidate has announced that his
12 Presidential Office is on the internet. It suggests
13 that the internet may not be there yet, but is
14 certainly maturing as a source of political discourse
15 or you wouldn't have a Presidential candidate using it
16 so extensively.

17 I also would note that where most people
18 go to get their weather is the Weather Channel which
19 isn't one of the dominant ones being alluded to so
20 frequently.

21 I think one of the things that is
22 difficult for us and I think difficult for all of you
23 is when is popularity dominant and not just
24 popularity? We talk a great deal about paying
25 attention to what consumers want, but half the time

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1 what we're railing against is what consumers chose.

2 Mr. Bozell, I have two young children and
3 I care a lot about what they watch on TV. I don't
4 think I stand there with a baseball bat, but I
5 certainly pay attention to what they see. But I don't
6 know how to dismiss as a government official the fact
7 that there may be a class of programming to which a
8 vast majority of individual American citizens prefer
9 to watch and it may not be the programming that I
10 would choose for my child to see or may not be the
11 programming that certain groups would prefer to see,
12 but there is an element of the public interest that is
13 what interests the public. And I've often heard and I
14 respect the argument there should be some concern
15 about our culture and our society, but it's very
16 difficult to quantify as a matter of governmental
17 action when you're going to take steps to go beyond
18 what it is the public itself responds to.

19 So we can be disparaging of that. We can
20 call it sludge, but it's the sludge people are
21 watching. We could call it dominance, but it's the
22 quality choices that people are making. And where
23 I've always struggled with this is how does government
24 distinguish between what ought to be the rights of
25 individual citizens to watch what they choose, not

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1 what the government would prefer that they see.

2 And so help us with that basic underlying
3 tenet. When is it not what interests the public, but
4 it's something that either your group or someone else
5 thinks they would be better served to see?

6 MR. BOZELL: That's a good question, Mr.
7 Chairman, and I'm not sure that there is an easy
8 answer to that question. However, I would submit to
9 you that when you've got a handful of corporations
10 controlling two thirds of the access of the programs
11 of the networks that are out there, then what they
12 determine is going to go on television is what can by
13 itself determine what the market wants. If the
14 market, as this lady, I don't recall her name, she
15 makes the point dramatically, when the public is
16 getting a certain message, a certain kind of program,
17 a certain value system, and is being hammered with it
18 and hammered with it and hammered with it and all the
19 other voices are never presented to it, well,
20 ultimately, there is going to be a significant part of
21 that market that is going to accept that message and
22 want more of it but has no idea that there are other
23 messages.

24 I talk to people who are in the industry
25 who are producers, writers, primarily who are

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1 attempting to come out with product and they feel like
2 they're bashing their head against the wall because
3 there's nowhere to go because the corporate mentality
4 of these major corporations is just simply not
5 interested in that voice in that kind of programming.
6 And so it never gets out to the public. So in the
7 final analysis, how do we know what the market wants?

8 MR. KRATTENMAKER: I don't know which is
9 the best way to go, but maybe we'll just work down and
10 we'll talk to Mr. Copps.

11 COMMISSIONER COPPS: Mr. Bozell, you just
12 testified that we're in the midst of a tremendous
13 consolidation in the media and you almost never
14 advocate government intervention on something like
15 ownership. You see a problem here. And you said that
16 your 750,000 members believe that television and radio
17 and other media have taken a sharp turn for the worse
18 in recent years as extreme violence and trashy
19 programming has become more and more endemic, creating
20 risks for our children.

21 Do you believe that it's important that
22 the FCC take the issue of the declining quality of
23 media programming into account in this proceeding on
24 media ownership?

25 MR. BOZELL: Perhaps I would tell you that

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1 of the many different things I've observed in my
2 lifetime professionally, I have never in my life seen
3 a more passionate outpouring of concern from the
4 public than over this one issue.

5 COMMISSIONER COPPS: And do you believe
6 that the FCC has taken this subject seriously?

7 MR. BOZELL: I do not. When no one has
8 been fined on television for indecent programming,
9 I've got to conclude that the FCC doesn't believe
10 there's anything indecent on television. But I don't
11 think you would ever allow me to say right here in
12 this hearing some of the language that was used last
13 night on television to your children.

14 COMMISSIONER COPPS: Is there in your mind
15 a correlation between the rising tide of consolidation
16 and the rising tide of indecent programming even if we
17 don't know for sure yet if there's a causal link?

18 MR. BOZELL: I have to be very careful.
19 We have to be very careful. I think we do not want to
20 ascribe a blame where blame ought not to be going. I
21 do not believe there's a conspiracy going on here. I
22 do not believe there are bad people in these
23 corporations. However, the reality is that in the
24 last several years and every study we've done and it's
25 never been questioned shows that it is getting worse

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1 and worse and worse when it comes to programming and
2 you're seeing more and more and more consolidation.

3 COMMISSIONER COPPS: Do you think it would
4 be irresponsible for the FCC to decide to scrap or
5 significantly modify our concentration rules that
6 might lead to even more indecency without adequately
7 exploring this possible correlation?

8 MR. BOZELL: For the reasons I've given,
9 yes.

10 COMMISSIONER COPPS: You mentioned you
11 have 750,000 members who are extremely concerned with
12 violence and other forms of indecency in the media,
13 but that they do not even know that the FCC is making
14 this decision, correct?

15 MR. BOZELL: Absolutely.

16 COMMISSIONER COPPS: So it sounds like
17 this issue is not an inside the beltway issue, but
18 probably millions and millions of Americans are
19 concerned, but don't even know that they should make
20 their voice heard, right?

21 MR. BOZELL: Absolutely.

22 COMMISSIONER COPPS: So I guess before
23 we're through, we're going to have to add a few to our
24 18,000 comments if Americans really find out what's
25 going on here. Don't you agree?

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1 MR. BOZELL: I hope you will. I hope that
2 indecency and the Commission's role in that will
3 become more important than I believe it has been to
4 date.

5 COMMISSIONER COPPS: Thank you very much.

6 MR. KRATTENMAKER: Mr. Chairman, could I
7 just ask before we leave, because I think all of us
8 have so many questions. Is there a possibility that
9 we could submit some written questions. We don't want
10 to inundate our panelists, but just to flesh out the
11 record and then to ensure that these are part of the
12 record in the proceedings.

13 CHAIRMAN POWELL: Sure. In fact, I've got
14 a whole stack of questions from the audience too so
15 we'll figure out how to do that.

16 If you don't mind, I'd like to follow up a
17 little on Commissioner Copps and ask Ms. Riskin
18 whether she agrees with the responses to his questions
19 that Mr. Bozell provided?

20 MS. RISKIN: I'd like you to know that I
21 have black and blue marks on my head from pounding on
22 the network doors. I think many of our members feel
23 frustrated. They would like to do quality
24 programming, but find themselves in a situation where
25 in order to do work with the networks they have to

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1 cede complete control which means that if they want to
2 do a story about a middle-aged person, take for
3 example, a show called "The Cornish." I don't know if
4 you remember, it wasn't about FCC Commissioners, it
5 was another kind of Commissioner.

6 CHAIRMAN POWELL: That's probably why it
7 didn't work.

8 MS. RISKIN: Actually, it was quite a good
9 show and the man who created the show insisted on a
10 middle-aged sort of pork bellied lead character. The
11 network demanded that it be a young, handsome Italian
12 and in those days when this show was created, the
13 creator of the show simply went to another network.
14 He could shop his story somewhere else. That does not
15 exist today.

16 I think that the urgency for ratings and
17 bottom line has chased away a majority of good
18 audience for quality programming in the marketplace.

19 We used to have a very rich marketplace
20 for movies for television. If you remember "The
21 Autobiography of Miss Jane Pittman" or "Roots." You
22 don't see those programs today on the networks. They
23 are being done in-house. They are expensive for a
24 major corporation to make. They are not expensive,
25 they are not problematic in terms of making money for

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1 a small company that's backed by somebody with a
2 passion to tell a story.

3 So we have chased out of the marketplace
4 people who are important story tellers with the kind
5 of quality programming that Brent Bozell would like to
6 see returned.

7 Just as an added note, one of the
8 executives at ABC was asked why the new series last
9 year, the majority of the pilots were developed by
10 their own in-house production. And the answer was
11 because they wanted all their programs to have the ABC
12 brand or stamp which means that all those shows would
13 be coming from one point of view. This is what's
14 damaging the diversity in the marketplace. Thank you.

15 CHAIRMAN POWELL: Thank you and we will
16 provide an opportunity for Mr. Ireland to respond, but
17 I think we should first see what Commissioner
18 Abernathy and Commissioner Martin wanted to follow up
19 on.

20 Thanks.

21 COMMISSIONER ABERNATHY: Thank you. I
22 still come back to the dilemma that I think as
23 government regulators we face which is there's been a
24 lot of concern expressed that the programming is
25 really rotten, there's not a lot of choice about it.

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1 Forget if we change the rules at all. It sounds like
2 this is a general comment about programming today as
3 we see it today.

4 And yet, you also tell me that five have
5 75 percent share of prime time viewing. So there are
6 all these alternative channels. There's the Discovery
7 Channel. There's Children's Channel. There's AMC.
8 There's Biography. There's History. And people
9 aren't watching it, apparently. Apparently 75 percent
10 are watching prime time viewing which then goes back
11 to do I tell them they can't watch this? Do I start
12 trying to force them into these other outlets? Which
13 are there, apparently, but it looks to me like most
14 people are choosing to watch the 75 percent prime time
15 viewing. So I'd like anyone to comment on that.

16 MR. KRATTENMAKER: Mr. Schwartzman?

17 MR. SCHWARTZMAN: Yes, Commissioner. Two
18 points on this. First, this is not just about
19 majority tastes. The market will take care of
20 majority tastes. The Commission's job as Congress has
21 reminded it in the case of children's television is
22 that where the market fails, the Commission can and
23 should and has the power and authority to direct
24 broadcasters to carry certain kinds of content that's
25 a viewpoint neutral content --

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1 COMMISSIONER ABERNATHY: Do you believe
2 the market is failing today? That's what I need to
3 know.

4 MR. SCHWARTZMAN: Absolutely.

5 COMMISSIONER ABERNATHY: So there's not
6 enough choices --

7 MR. SCHWARTZMAN: The market --

8 COMMISSIONER ABERNATHY: People can't turn
9 to history or to American Movie Classics **or** to PBS?

10 MR. SCHWARTZMAN: You buy circulation and
11 you buy viewers and when you have huge conglomerates
12 which are also the ones programming most channels, and
13 they are leveraging their incumbent status to drive
14 the other content, you don't get the development of
15 programming which serves these different additional
16 tastes and you lose the creative juice. You deplete
17 the creative gene pool by reducing the number of
18 channels for creative people to introduce their
19 programming. This is what happens with concentration
20 of control. You get concentration of taste.

21 COMMISSIONER ABERNATHY: So are you
22 discounting, then you must be discounting cable. Are
23 you just talking about free over-the-air?

24 MR. SCHWARTZMAN: No, no. Who owns the
25 cable channels?

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1 COMMISSIONER ABERNATHY: No, but what's on
2 the cable channels that people aren't watching.
3 That's where I keep -- they can turn the channel.

4 MR. SCHWARTZMAN: Some people are watching
5 it, but you've got the large companies using their
6 powers under the -- retransmission consent and so
7 forth, to drive viewers to their own content which
8 they're repurposing and the size of these companies
9 and their promotional capabilities make -- leave
10 viewers unaware of what else is there. This is buying
11 circulation --

12 COMMISSIONER ABERNATHY: So that's what
13 you'd -- okay. Now I get what you're saying. You're
14 saying it's the promotional capabilities so people
15 don't realize they have a choice.

16 MR. SCHWARTZMAN: Incumbents leverage
17 their power. That's the most important thing that I
18 would say.

19 The second point that I would -- well, I'm
20 taking too much time. Let me leave it at that.

21 COMMISSIONER ABERNATHY: Let me hear what
22 Bob's response would be.

23 MR. CORN-REVERE: Well, as usual, when I
24 hear Andy speak I feel we're on different planets.
25 It's just hard to imagine that people can talk about

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1 less choice and less diversity today than at any time
2 in our history. You can talk about the number of
3 owners all you want, but the fact is the average
4 viewer has a myriad of choices that never existed
5 before. And people don't have a hard time finding PBS
6 if they want to find it. And they don't have a hard
7 time finding Discovery Science or Biography or any of
8 the other channels, the History Channel. They can
9 find them and the question is whether they want to
10 find them.

11 But I think this whole colloquy that's
12 been going on underscores the danger **of** trying to use
13 structural rules to engage in social engineering.
14 There's a serious mismatch going on here because when
15 the Hollywood community talks about creative control
16 and wanting to put on quality programs, they're
17 talking about wanting to put on the very kinds of
18 programs that Mr. Bozell hates. For example, if you
19 look at the comments filed in this proceeding, they
20 talk about being blocked from being able to put on
21 shows like "Murphy Brown" and "Roseanne", shows that
22 Mr. Bozell in the past has criticized and I'm sure
23 would again if they reappeared.

24 The other difficulty is when you start
25 talking about using official pressure to change the

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1 kinds of programs that appear on television, then it's
2 hard to predict what's going to happen. If you go
3 back 10 or 12 years ago when "The Simpsons" first
4 appeared on Fox which, by the way, at the time was a
5 fledgling network and wasn't forcing anybody to watch
6 anything. "The Simpsons" appeared and was roundly
7 criticized as being vulgar and in poor taste.
8 President George Bush criticized it by saying that we
9 needed a nation closer to the Waltons than to the
10 Simpsons. I guess he didn't have quite the same
11 concern with bland TV.

12 Drug czar William Bennett engaged in a
13 similar public tirade against "The Simpsons". And Mr.
14 Bozell criticized it in a 1997 column saying that it
15 is "a dysfunctional family" and I believe the same
16 concern you had today about the Hollywood elites
17 forcing their views. You say always the approach is
18 the same. Forget the majority sentiment, aim to
19 capture the avant garde minority.

20 Well, I think if you come back now and
21 look at a program like "The Simpsons" it's clearly
22 stood the test of time. It's the longest running
23 sitcom in TV history. National Review recently called
24 it possibly the most intelligent, funny and
25 politically satisfying TV show ever. Broadcasting and

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1 Cable has editorialized in favor of giving it an Emmy
2 and not just as an animated series. And lately, and
3 perhaps surprisingly, religious writers have begun
4 praising "The Simpsons" for the amount **of** religious
5 content in the show including a recent book that's
6 come out on the subject. There are even websites
7 devoted to the religious references in "The Simpsons."

8 So I think once you start having public
9 officials put their thumb on the scale and try and
10 create structural rules to affect whether or not shows
11 like that are going to succeed or to game the process,
12 then I think you have a very serious problem.

13 MR. KRATTENMAKER: Commissioner Martin?

14 COMMISSIONER MARTIN: Mr. Bozell, you said
15 that you'd never seen an outpouring like this one on
16 this issue. Just help me understand. I was just
17 trying to -- is the issue that you're seeing the
18 outpouring on the decency or indecency of the
19 programming or is it on the ownership issues?

20 And I'm trying **to** understand what you're
21 actually seeing the outpouring **of** public comment on
22 and I'm still a little confused about the connection
23 between the two. And then I would hope that maybe Mr.
24 Corn-Revere could respond as well to your comments.

25 MR. BOZELL: I'd be happy to respond.

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1 First, let me, in fact, and correct Mr. Corn-Revere
2 and I would ask him not to quote out of context what I
3 have and haven't said. I've also praised "The
4 Simpsons" up and down for a thousand different reasons
5 as well. And we're not debating -- we could debate it
6 some other time, but please don't take my words out of
7 context.

8 On the question of what the public talks
9 about, I travel all over the country. Ladies and
10 gentlemen, you do the same thing. You talk to people.
11 You talk to your friends, you talk to your associates.
12 And on a daily basis, there isn't somebody who isn't
13 going to say to you did you see what was on television
14 last night? Did you see -- and I'm not going to name
15 any shows because it's unfair to pinpoint a show. But
16 did you see this show? Did you see that program? Did
17 you hear what he said on that awards program? Did you
18 hear the F word used last night during the family
19 hour? They're horrified that this is happening.
20 They're horrified that it's happening with increasing
21 frequency. And then they say what can I **do**? What can
22 one do about this?

23 We are the market. We are the public out
24 there. Look at the national surveys. Ninety-seven
25 percent **of** families in this country believe there's

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1 too much sex and violence on prime time television
2 coming into their living rooms, being broadcast to
3 their children. And then they turn and say what can I
4 do about it?

5 Well, they go to the networks. The
6 networks tell them go pound sand. They don't care.
7 They've got the longevity to withstand any little
8 complaint and they keep it up long enough and sooner
9 or later as Mr. Corn-Revere just said, people start
10 accepting it. And they just resign themselves that
11 that's the way it's going to be. And that's another
12 wall that's just come down. Another sensibility
13 that's been taken care of.

14 There's got to be a politics of shame, I
15 believe. Not just, by the way on the end stream. Not
16 just on the Commission, on the advertisers and on the
17 public as well. This is a very complicated issue, but
18 there's got to be standards. We've got to say to
19 ourselves, we can't put certain messages on license
20 plates. You can't do that. You can't use the N word
21 on a license plate and go down the road with it. You
22 will go to prison or something for that. You can't
23 put certain signs on billboards, but why can you put
24 it on television in front **of** my children and why is it
25 that it's indecent, uncivilized for me to use certain

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1 language in this hearing, but tonight on television it
2 will go to my children. And it's okay?

3 There's a problem.

4 COMMISSIONER MARTIN: I was wondering if
5 Mr. Corn-Revere -- just a comment about -- is the
6 problem the connection between, or whether there is a
7 connection between, indecency and the ownership
8 issues, which is really what is before the Commission.

9 MR. CORN-REVERE: Well, I understand the
10 concerns expressed about indecency, but I just don't
11 understand the connection you're trying to draw
12 between that and media concentration.

13 In fact, again, when you start talking
14 about the different views on this panel, you see very
15 divergent views. A while ago, Ms. Riskin referred to
16 the situation that Stephen J. Cannell had in trying to
17 solve "The Comish" and in the same article that
18 Cannell was writing about that situation, he described
19 another producer being turned down when he took "The
20 Sopranos" to network television and saying that the
21 networks just didn't get it and none of the networks
22 bought it and so in the end the producer was forced to
23 go to HBO and ultimately reform the shape of
24 television.

25 Now there are two points that I think that

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1 are important from that anecdote that comes from the
2 article in last week's Broadcasting and Cable by
3 Stephen J. Cannell. The first is that it doesn't see
4 like diversity has been harmed when the networks make
5 a mistake on whether or not to get a show and it turns
6 up someplace else.

7 And the second is I don't think "the
8 Sopranos" is what Mr. Bozell had in mind what he wants
9 to limit concentration so that we have more quality
10 television.

11 It has been one of those shows, it's been
12 a breakthrough show. It's been praised by many,
13 reviled by others because it is a hard edged show. It
14 is on cable and it's forcing the networks now to
15 compete, but again, I don't see the problem with
16 concentration. The problem, if there is one, is that
17 the networks are being forced to compete.

18 CHAIRMAN POWELL: Thank you. One of the
19 things I find interesting is even if I credit your
20 argument about indecency, and I think there's a fair
21 amount of it that's fair commentary about aspects of
22 television, I'm finding it a bit strange the
23 connection to the concentration because I suppose you
24 will be told that the clean era of the 1950s or 1960s
25 is when TV was of the quality that we preferred when

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1 there were three networks. So tying it to
2 concentration, there was never a time in history where
3 the media was more concentrated and the period where
4 TV was probably its cleanest. So I don't know that I
5 see the immediate merits of the suggestions that the
6 concentration levels of today are somehow responsible
7 for indecency.

8 I'd only also like to make probably just a
9 personal comment. I think TV right now produces some
10 of the worst ever and I also think it produces some of
11 the best ever. I think what's happened is **TV** has
12 dramatically increased in abundance. Yes, I do have a
13 lot of neighbors say did you see that terrible show
14 last night? I also have a lot that come in and say
15 did you see the Theodore Roosevelt special, it was
16 brilliant. I also had people come to see me and say
17 did you see Ken Burns' Civil War special? It **was**
18 brilliant.

19 Every afternoon after Wednesday, my office
20 comes in and says did you see "West Wing" last night?
21 Wasn't that amazing? Or Fox's "24" or I think one of
22 the challenges we all are going to have with citizens
23 as the media continues to explode you're going to have
24 a wider range of diversities in the marketplace from
25 the most shameless to the greatest.

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1 But this connection to concentration, I
2 find, to be almost fabricated.

3 MR. KRATTENMAKER: Mr. Chairman, can I
4 treat that as a comment? I think I might do that.
5 We've already cut deeply into the public comment time
6 and I would like to get to that. I'm going to cut
7 into it a little bit more by saying that with all the
8 cards I've gotten, there's a series **of** questions that
9 aren't being asked here yet that I'd at least like to
10 pose briefly, particularly to Ms. Thompson and to Mr.
11 Liggins. I don't know whether Mr. Ireland would like
12 to comment on it and it is summarizing two or three **of**
13 these.

14 **So** far we've been talking almost
15 exclusively about television, what about radio? And
16 perhaps a little bit more specifically what is
17 reminded **of** the old joke that there are three kinds of
18 lies, lies, damn lies and statistics, but are there
19 certain kinds **of** ways that the Commission may have of
20 knowing how it is that increased diversity **of**
21 ownership can lead to diversity **of** public service
22 activity and diversity of programming?

23 It seemed like Mr. Liggins had, you may
24 want to say you've already addressed that, but I don't
25 know whether you want to follow up with that a little

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1 bit or Ms. Thompson?

2 MR. LIGGINS: I'd certainly like to
3 comment. At least from our perspective, we've been
4 the consolidated of African-American oriented formats
5 and so as we've gone in and bought more radio
6 stations, competition is what drives the different
7 voices of the different options in programming. One,
8 you don't want to compete with yourself, so why would
9 you launch a comparable product? You launch something
10 different. NBC has launched Telemundo. In Atlanta,
11 Georgia, we have a gospel FM station. That's --
12 gospel has typically been relegated to the **AM** band for
13 the last 50 years and in Atlanta on a very expensive
14 station that we paid a lot of money for, we took a
15 shot and you know what? It was very successful. It's
16 the third highest rated radio station in that market.

17 We have a jazz station. We have a hip hop
18 station. And we also have an R & B oldies station.
19 So ironically enough, when we first went into the
20 market, our first station was hip hop oriented and we
21 got some barbs for that because hip hop music can at
22 times be seen as aggressive. But the same company,
23 Radio One, also has a station, a gospel station that
24 is being praised. **So** the nature of competition, I
25 think, forces the diversity in format options.

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1 I also think the range and the spectrum of
2 some of the best television programming and some of
3 the worst that you've seen, that's what competition
4 also does. It forces people to take chances, whether
5 a television broadcaster or a radio broadcaster,
6 because you are fighting for the attention and the
7 ratings and the votes from the public. So you have to
8 take more shots in order to be successful.

9 And consolidation, I was against
10 consolidation prior to the 1996 act. I lobbied
11 against it, but when I saw that it was going to go the
12 direction that we and NABOB had wanted, we decided
13 that we needed to get in the game and to compete. And
14 it cost money in order to deliver "The Simpsons" and
15 it cost money in order to even deliver this gospel
16 radio station that I told you about.

17 So there is a necessariness to scale in
18 order to deliver quality programming that I think
19 needs to be underscored here.

20 MR. KRATTENMAKER: Thank you. Ms.
21 Thompson, did you wish to comment.

22 MS. THOMPSON: Well, you can certainly
23 sense the kind of pride when Mr. Liggins talks about
24 his company and the products that he provides to his
25 community and you can certainly also see that every

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1 product that he is outlining specifically targets the
2 segment of the community that he is serving and that's
3 exactly my point. I think minority-owned broadcasters
4 know how to serve their communities. And if we don't
5 provide support to those minority broadcasters, they
6 would not be able to continue in business, especially
7 with the issues of carriage. Distribution is the key
8 for us.

9 MR. KRATTENMAKER: Thank you. I think the
10 Commissioners should vote with their feet. We have a
11 number of people lined up to make public comments.

12 CHAIRMAN POWELL: We'll continue this
13 until 12:30 and we'll take a 30 minute lunch break.
14 We'll be back here at 1, but we have at least 20 some
15 odd minutes left to hear from the public. And also
16 some of the cards that you have, Tom.

17 Why don't we start with that process and
18 we'll go left and right, and Tom, please interject
19 with the questions that you have on the cards as we go
20 forward.

21 MR. KRATTENMAKER: Do we have a time
22 limit?

23 CHAIRMAN POWELL: 12:30 we're wrapping up.

24 MR. KRATTENMAKER: No, for each
25 individual

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